

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 DODE-00 NSAE-00 RSC-01 TRSE-00

AEC-11 CIAE-00 COME-00 DRC-01 /050 W

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R 241725Z OCT 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1501

UNCLAS ROME 11660

E.O. 11652: N/A

TAGS: ESTC, IT

SUBJ: AMPEX: DISTRIBUTION LICENSE APPLICATION

EXCON FOR COMMERCE

REF.: STATE 203211

1. APPRECIATE REFTEL. SELENIA PROCESSING 1A-544 FORMS FOR SERVICE
LICENSE AS WELL AS AMENDING ORIGINAL FC 1143 TO DELETE ITEM 5D.

2. AT CONFERENCE WITH AMPEX AND SELENIA OFFICIALS OCTOBER 22
SELENIA PURCHASER MUZZI TOLD EDO THAT IN APRIL 1973 SELENIA
HAD SIGNED AN FC 1143 STATEMENT FOR THE PURCHASE AND SUBSEQUENT
REEXPORT OF SUBSTANTIALLY THE SAME COMMODITIES AS IN THE PENDING
AMPEX REQUEST BUT FROM A DIFFERENT US SUPPLIER, MUNZING IN-
TERNATIONAL, S660 SO. WESTERN AVE., LOS ANGELES, CALIFORNIA, 90005.
IN MUNZING CASE SELENIA HAD STATED ON FC 1143 (ITEM 5D) THAT
IT WOULD REEXPORT COMMODITES IN FORM RECEIVED AS SPARE PARTS.
SINCE LICENSE WAS GRANTED WITH NO PROBLEM, MUZZI REASONED THAT
IT NOT TRUE THAT DISTRIBUTION LICENSES FOR THESE COMMODITES
ONLY BEING GRANTED FOR THEIR INCORPORATION INTO FINISHED PRODUCTS.
RATHER THIS RESTRICTION APPEARS TO APPLY ONLY TO AMPEX WHICH
APPARENTLY (TO MUZZI) BEING SINGLED OUT FOR UNUSUALLY STRINGENT
APPLICATION OF EXCON REGULATIONS. IF THIS IS CORRECT SELNIA
WOULD WANT TO REVIEW ITS PURCHASING PROGRAM FROM AMPEX, WHICH
CURRENTLY VALUES AT ABOUT \$600,000 - \$700,000 ANNUALLY
AND EXPECTS WILL GROW TO \$1.5 - \$2 MILLION WITHIN A YEAR OR TWO.

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3. EDO SAID THAT MUNZING CASE SHOULD NOT BE TAKEN AS INDICATING USG DISCRIMINATION AGAINST AMPLEX. NOTED THAT DEPARTMENT OF COMMERCE LICENSING DECISIONS BASED ON MANY FACTORS. REASONS FOR DIFFERENT DECISIONS NOT ALWAYS APPARENT AT THIS END SINCE ALL FACTS NOT AVAILABLE. EDO HAS GIVEN ASSURANCES THAT DEPARTMENT OF COMMERCE HANDLES ALL LICENSE APPLICATIONS EVEN-HANDEDLY.

4. EMBASSY BELIEVES IT IN US INTERESTS THAT OUR LICENSING PROCEDURES AND CRITERIA APPEAR AS CONSISTANT AS POSSIBLE. THIS PARTICULARLY IMPORTANT WITH SUCH FIRMS AS SELANIA WHICH COMMIT THEMSELVES TO A LARGE SCALE INCORPORATION OF U.S. PARTS IN THEIR FINISHED PRODUCTS. THESE FIRMS DO NOT FEEL THEY CAN AFFORD TO WORRY WHEN DEALING WITH THE US AS TO WHICH SUPPLIER AT A GIVEN TIME MIGHT OR MIGHT NOT BE ABLE TO EXPEDITE ITS EXPORT LICENSE.

5. EMBASSY RECOGNIZES, OF COURSE, THAT THERE PROBABLY CERTAIN DIFFERENCES IN MUNZING AND AMPLEX CASES JUSTIFYING DIFFERENT HANDLING OF THEIR RESPECTIVE DISTRIBUTION LICENSE APPLICATIONS. AS FULL DETAILS NOT AVAILABLE HERE EMBASSY WOULD APPRECIATE KNOWING REASONS FOR DIFFERENT HANDLING PROCEDURES IN THESE CASES. BELIEVE AMPLEX ITAIA MA INFORM PARENT COMPANY REGARDING MUNZING CASE AND DEPARTMENT OF COMMERCE MAY RECEIVE DIRECT QUERY FROM AMPLEX INTERNATIONAL, REDWOOD CITY, CALIFORNIA.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ROME11660
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731014/aaaaakgu.tel
Line Count: 86
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: : STATE 203211
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 21 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21-Aug-2001 by phillir0>; APPROVED <28-Jan-2002 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMPEX: DISTRIBUTION LICENSE APPLICATION EXCON FOR COMMERCE
TAGS: ESTC, IT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005